



Avoiding the Adoption Trap

Implementing A Collaborative Transaction Platform Can Prepare Your Brokerage For Future Change

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| By adopting an end-to-end transaction platform, brokerages have the potential for huge gains in productivity and compliance today and organizational agility tomorrow. But the seemingly overwhelming effort required to upgrade their technology has many executives avoiding this necessary change.



Introduction

For many brokers, having a single, end-to-end digital platform for completing their transactions is a worthy goal. A collaborative system saves time and prevents errors for agents, while making the experience seamless and easy for clients.

However, getting a thousand or more agents trained and actually using the new platform —all while keeping the brokerage running— can seem like an insurmountable obstacle.

The good news is that there is a proven methodology for guiding even the largest brokerages through the adoption process. It's one that's based on leading research about organizational change, and has a successful track record with brokerages both large and small.

A Healthy Dose of Reality

Most brokers are aware of the benefits of a fully collaborative platform, one that replaces the glut of stand-alone programs that must be integrated manually. A fully collaborative platform enables better agent productivity, gives executives better insight into performance, and helps maintain compliance at each stage of the deal. Best of all, it meets client expectations for an easy-to-use digital experience.

While the executives of a brokerage may agree on the need for change and—may have even identified the most effective platform—the thought of taking a large company through a radical transformation of their work systems seems daunting.



60-70%
**OF ORGANIZATIONAL
CHANGES FAIL**

They are right to be cautious: success is not guaranteed. According to a study by the Harvard Business Review, 60-70% of organizational change projects fail. Regardless of the kind of change being implemented, this low success rate has stayed constant from the 1970s to the present.

The Threat of the Status Quo

While the road to technological transformation presents a brokerage with many hurdles, the decision to stay pat or opt for incremental improvements poses an even greater danger.

Real estate is an industry where brokerages only cooperate with each other when completing deals; the rest of the time, they are in fierce competition for listings. The firm that can offer clients a more efficient and easier way to get deals done—often by using better digital technology—will have a clear advantage over a competitor who doesn't offer these tools.

And while competition from within the real estate industry is a compelling reason for brokerages to greatly improve their technology, the strongest reason to do so might come from outside the industry: tech companies see the home buying process as needlessly complicated, time consuming, and expensive, making it ripe for an Uber-style disruption.

According to the *Los Angeles Times*, real estate startup founders say the industry is ripe for change and are pouring money into companies that are designed to do just that. The paper also notes the emergence several real estate startups that promise an easier solution to a notoriously stressful and expensive purchase.

Their goal: limit or eliminate an agent's role, help customers save money, and streamline the process.



47%

Of all first time home buyers are Millennials

Great (Digital) Expectations

As one real estate startup founder has noted, “Millennials expect things to be easy and transparent. They’re also used to making high-purchase transactions online.” However, this is an expectation that is increasing among all segments of home buyers.

Millennials expect things to be easy and transparent. They’re also used to making high-purchase transactions online.

In addition to meeting client expectations, a seamless, collaborative platform offers major competitive advantages on the back end. With better efficiency and improved metrics, a brokerage can make significant gains in productivity. And when there’s improved insight into each deal, compliance is no longer a headache and the company is much less vulnerable to liability.

However, the fear of change is ultimately what keeps many brokerages from adopting the technology they know they need. But what many executives don’t realize is that instead of being a recipe for disruption, going through the successful adoption of a collaborative platform can actually prepare a brokerage to better handle change.

If done right, the process itself becomes a model for future transformation.

Real Barriers to Change

The decision to make a major technology change is not easy, with many brokers rightfully concerned that:

Managing the change will be too difficult

Just like gutting and remodeling a house while still trying to live in it, adopting an end-to-end platform will cause a major disruption to their business. It's impossible to change systems without bringing the brokerage to a halt.

Their agents simply won't use it

Even if the brokerage goes through the effort and expense to adopt a seamless platform, their agents may simply decide not to use it. If a broker declares an ultimatum, the agents may just choose to leave.

The software company won't stick around

After investing heavily in a platform, a brokerage might be abandoned by their technology provider for any number of reasons: they placed their faith in a software startup that has gone under, the platform is discontinued, or the software company is unwilling or unable to maintain a long-term partnership.

The risk of adoption is too great

For many brokers - especially ones who don't consider themselves tech-savvy—placing their trust in technology that hasn't been around for a number of years (and therefore untried) seems like a gamble. They might especially feel this way if none of the brokerages in their circle are using the platform.

For a change management plan to be successful, it must address all of these problems.

According to Chip and Dan Heath, leading business strategy academics at Stanford and Duke and the authors of *Switch: How to Change Things When Change Is Hard*, simply having a worthy endpoint and a desire to transform a company are not enough. To succeed, a change strategy must take a multi-pronged approach to bring about lasting change.

Simply having a worthy endpoint and a desire to transform a company are not enough.

Unless leadership can get individuals in their company to change, the company itself won't change. Any plan must take into account the rational mind, emotions, and path to success for each person involved.



The Heath brothers illustrate this dynamic with the analogy of an elephant rider trying to get his elephant to go down a jungle path. The rider represents a person's rational mind, the mastermind behind decisions. The elephant represents a person's emotions, a powerful force as long as their heart is swayed. And the path represents the path to success, which no rider or elephant will traverse unless it is easy to follow. Put another way, the rider may know the path the elephant should follow, but unless the elephant wants to travel down the path, the elephant will continue plodding along in the same direction.

The elephant and rider analogy clearly shows how people can know what course of action that will be good for them (e.g., quitting smoking, exercising regularly), but if they cannot find a strong enough emotional reason to change, nor if the exact steps they must take are not clear, they will simply maintain the status quo.

A Roadmap For Successful Adoption


Whether a brokerage has 100 or 1000 agents, the key to getting them to adopt a new technology platform remains the same. After assessing the best plan of action for the organization, leadership must appeal to people rationally, motivate them emotionally, and create a path that makes adoption effortless. In other words, they must instruct the rider, inspire the elephant, and make the path the easiest course of action.



STEP 1: The Custom Fit

Every brokerage has its own unique processes, its own secret sauce that creates its competitive edge. To make sure the new system works with these strengths, the platform provider must do a deep dive into the brokerages' documents and workflow, then create a standardized process for how the agents will use the new system.

When it comes time to train everyone on the new platform, agents will recognize the familiar documents and processes. Knowing that the platform has been tailored specifically for their organization soothes emotions and anxiety around adopting new technology, and making the transition much easier to accept.



STEP 2: Train the Trainers

The process of adopting the new platform begins with instructing key people about the desired outcome of the process. In the elephant and rider analogy, this is where the rider gets his marching orders.

When instilling change in a large organization, it's not only more efficient, but also more effective, to have a large portion of training conducted by company staff and agents. This method ensures that trainers will always be on hand when additional instruction is needed, and by owning the process, team members will show that they have fully embraced the change. To further buy-in, it is also essential that agents and admins see higher level staff using the new platform.

Finally, to ensure that the brokerage's unique needs are being addressed, a large focus group should be formed to give feedback on the planned training. This should consist of 10-15% of the firm's agents who will help vet what has been set up, ask questions, and make tweaks to the adoption training before it is rolled out.

STEP 3: Engagement

People - and the organizations they make up - do not change until they have a compelling emotional reason to do so. This is where the elephant, the most powerful factor in transformation, must be motivated to move in the right direction.

For a large brokerage, this means capturing the imagination of agents and staff with a vision of what it means to be a technologically-driven company. They must feel that this technology-driven vision is somehow fundamentally different than the status quo and that good things lie ahead.

Before actual training sessions begin, agents and admins should receive clear messaging, letting them know exactly what the adoption process will entail and how it fits into the brokerage's long-term plan. It's important that they are clearly informed and accept the idea that their company is being transformed. They are not simply learning new software, but participating in a new phase in their firm's growth—which will make it a better place to work and prove to be financially and emotionally rewarding.

Once agents are fully provisioned with software and other technology they need to run the new platform, on-site training begins. The instruction should be structured so that participants begin to reach measurable milestones right away. These milestones don't have to be complex—they can be as simple as setting up a deal or successfully using a single feature.

It's easy to be discouraged by the inevitable early challenges, so trainers should identify and draw attention to early wins by trainees. Emphasizing wins creates peer pressure for all trainees to have successes of their own.

Finally, agents and staff should be given a date by which everyone must be using the new system. However, the motivation must not be a threatening ultimatum, but a desire for positive change. Agents and staff are working towards a desired goal, not being threatened over a possible failure.



**Firm is becoming
technology driven**



**They're part of a new
growth phase**



**Draw attention to
early wins**



STEP 4: Grow the Relationship


In our elephant and rider analogy, no matter how much the rider strains to steer the elephant, the elephant will always take the easiest path. Therefore, it's important that the way the rider wants the elephant to go is cleared of all obstacles.

When applied to helping a brokerage adopt a comprehensive new platform, this obstacle-clearing is accomplished through an ongoing partnership with the technology company where problems can be quickly addressed. Setting up this feedback loop with a technology partner makes it clear to agents that going back to the old way of doing things is not a viable option.

When training is done and the majority of agents are successfully using the new platform, the tech company's adoption team will be needed less and less. The brokerage will now be training its own new agents. More advanced users in the brokerage can also conduct classes on new features, as well as brush-up courses for those needing a review.

Rather than ending, the tech company's relationship with the brokerage will transition into one of ongoing support. With improvements, added features, and better iterations of the platform, the brokerage will need to have access to people and resources within the tech company.

Ideally, the brokerage will become partners with the tech firm, providing vital feedback, addressing platform issues, and sharing their success. The large user base at the brokerage now becomes a valuable resource to the tech firm in assessing and improving the platform.



1,400 Agents | 12 Offices
70% adoption within 60 days
Increase in agent satisfaction

Leading 1K+ Agents to Success: Samson Properties

Samson Properties is the largest brokerage in Virginia. The executive team realized that, to gain efficiency and compete against other brokerages, they needed to move to an all-in-one transaction platform. After extensive research, they chose dotloop. But with 1,400 agents across 12 geographically dispersed offices, transitioning their team onto a new platform would be a challenge - especially without disrupting business as usual.

Using the four steps outlined above, dotloop's Success Management Team took Samson Properties through the adoption process. More than just a training plan, the process was designed to first inform, then motivate, then finally equip the agents and staff for successful adoption.

Because the brokerage was a partner in the transition, key staff were able to take on more and more responsibility for training as the changeover progressed. Samson Properties then used the adoption roadmap that had been specially tailored to their organization to achieve stellar results.

Almost immediately, they began to see gains in agent productivity and used their new data insights to better plan strategically.

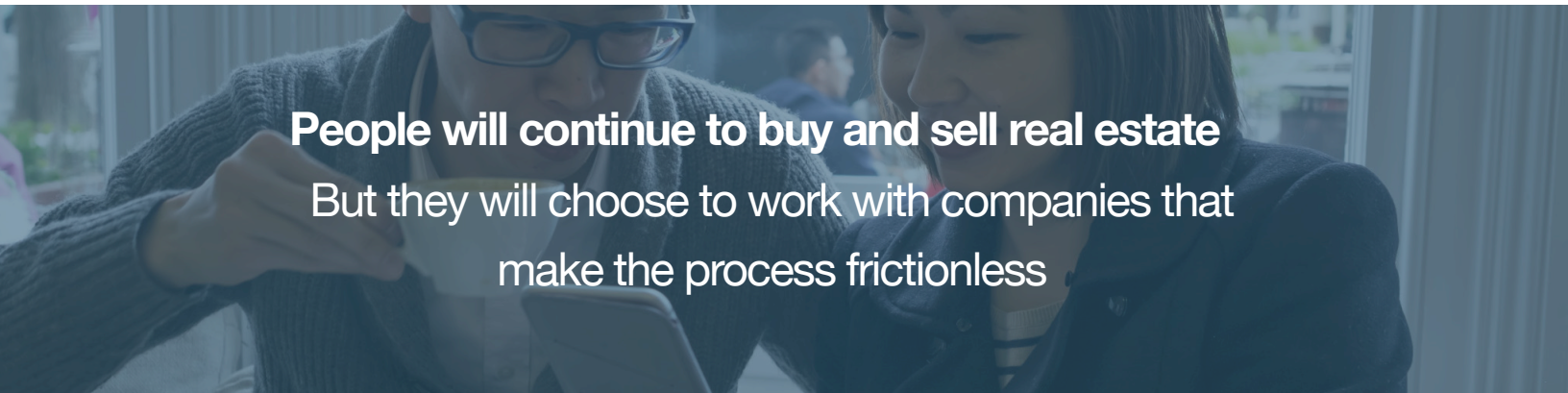
After 90 days, executives were happy to see an increase in agent satisfaction and hear story after story of clients delighted with the ease of the new system. The company had begun to reduce its reliance on physical archiving space, and admins reported that improved compliance protocols had already reduced brokerage liability.

Most importantly, the company is now in a position to better compete against other brokerages today and by going through a successful transformation process is ready to adapt to the unforeseen challenges that are sure to crop up in a fast-changing industry.

The Future Benefit

No one knows what the residential real estate industry will look like three years from now. Though three years might not seem like enough period of time for a fundamental change to happen in the marketplace, the tales of Blockbuster Video, Borders Books, and Kodak show how quickly market leaders can lose their dominance.

Although all three were category leaders—sometimes, for decades—they all went bankrupt in a relatively short period of time. America still watches movies at home, reads books, and takes pictures, but not with Blockbuster, Borders, or Kodak.

A photograph of a man and a woman looking at a smartphone together. The man is on the left, wearing glasses and a grey sweater, pointing at the screen. The woman is on the right, wearing a dark jacket, looking at the phone. The image is overlaid with a semi-transparent blue filter.

People will continue to buy and sell real estate
But they will choose to work with companies that
make the process frictionless

Each of these iconic companies failed because they believed their success would continue even as their customers were changing their behaviors. In fact, most had the innovative technology they needed to make the transition - Kodak's research team had come up with a digital camera as early as the 1970s! But in each case, each company deployed too little, too late.

The key to survival in uncertain times is not only the willingness to change, but the strategic and tactical ability to make the change. The willingness to implement an all-in-one platform is an important first step, but going through the adoption process with a partner skilled in change management can prepare a brokerage to navigate more dramatic changes to come.

Just as Americans will always watch movies at home, read books, and take pictures, they will always buy and sell real estate. And as time has demonstrated, they will choose to work companies that make the process as frictionless as possible - in the case of real estate, companies that make the transaction process easy and comfortable. How the landscape will continue to shift is unknown, but by completing a successful transformation, a brokerage gains the organizational knowledge to quickly institute broad change, as well as the confidence to make major changes as they become necessary.

| About dotloop

Dotloop is the leading online transaction and productivity optimization platform in real estate. Dotloop reduces complexity by replacing separate form creation, e-sign, and transaction management systems with a single end-to-end solution and drives growth by helping real estate professionals streamline their businesses with workflow automation and real-time visibility into transactions. Each year, millions of agents, brokers, and clients trust dotloop to get deals done.

| Contact Us

To learn more, visit www.dotloop.com/brokers



| About the Author

Austin Allison is the founder of dotloop (part of Zillow Group), the industry's only collaborative transaction platform. Dotloop has processed over \$1 trillion in real estate deals.

He has been featured on the cover of Entrepreneur Magazine, recognized as the Inman News Innovator of the Year for 2012, listed on Forbes 30 under 30, and was named as the small business Executive of the Year by Best in Biz. He is the co-author of *Peoplework: How to Run a People-First Business in a Digital-First World*.



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